

SOUTHERN ENERGY CO OP

INTERIM CHAIRMANS REPORT.

DRAFT

RJG.

At the April 96 meeting, I agreed to act in the role of chairman, for a limited period of three months.

A meeting was targetted for 3 Aug 96, as being the "Review" point for hand over to another member for the role of chairman. This Review point, has now moved out to the suggested date of Mon ... Nov 96. During this period from Apr to Nov, a number of issues have been addressed, to help clarify the question: "Where should Southern Energy Co Op. go from here - in the pursuit of its objectives?" The key issues as I see them are:

+ Your secretary has been representing the views and aspirations of Electrical Co Ops. through the Co Operative Federation of Victoria.

A number of workshops have been conducted by the Federation, one in particular addressing the role of Electrical Co Ops. - the key speaker was ^{The Honourable} Chris Strong MLC, Chairman, Victorian Parliament Economic Development Committee. In essence, he spoke supporting our existence, and encouraged us to beleive, that the Government would now support our involvement and future role in their plans.

I leave our secretary as a Director of the Federation, to report in greater detail, upon this and other matters coming out of the activities, of the Federation. In particular do I note and draw to your attention, the formulation of draft legislation to be presented to the Victorian Parliament, which if passed, seems set to establish the legis¹lation for the other States to follow. This should effect, an uniform code throughout Australia.

+ An exercise in the conduct of an energy / environ/mental audit was undertaken, with the cooperation of your director Dr. Philomene Tenni. She agreed to allow us to use her home, as a test case - I leave her to report on the outcome.

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+ Discussions with PICCOL, resulted in provisional agreement to pursue Environmental Audits with their members - where they may then seek a loan from them. This would be to implement the recommendations of the audit, should the member choose to proceed. This provisional agreement, has yet to be tested.

+ A Policy Resolution Plan was presented by myself to the June meeting, which tested ~~the~~ the resolve and financial resources of the Southern Energy Co Op, to pursue its objectives for the next two years - even if no growth in membership were to occur in that time - the issue remains open for discussion.

+ Discussions were undertaken with an independent generator of Electrical Power in the Latrobe Valley. They expressed interest in possibly having some direct contractual relationship with a Co Operative Body, with sufficient membership, to be meaningful to them - this remains open for further discussion and debate. Refer to the secretar^ys report.

+ Discussion have been held with Roger Lamb on the possible relevance, of his negotiations with the Moreland Council. These relate to the conducting of Energy Audits. Graeme Charles, Chairman of Co Operative Eergy, is taking a "leading" role in identifying the feasibility of how we as a Co Operative, might be involved in this - refer to the secretar^ys report.

+ I have visited Beechworth on two occasions, to meet up with Graeme Charles, to investigate the feasibility of submitting a Proposal for setting up a Working University, as a Centre for Co Operative action in Victoria. The suggested site is that of The Mayday Hills Institution. As a centre for The Environment and Public Health and Well Being, the suggestion is that the totality ~~of~~ of the range of activities covered by Co Operatives, would be embraced in the Spirit of Co Operation embraced in this MOVEMENT. All facets of clean power generation, would of continued.

course be incorporated. I am able to respond to this matter in detail, if desired. I have taken the initiative with Graeme Charles, to pursue this proposal with the people of Beechworth, and the Latrobe University.

+ Finally, I leave you with some thoughts on the "contestability" of what is happening, in the process of deregulation of the electrical industry.

First, I suppose we may accept the view that competition will reduce the cost of electricity, and improve the quality of service. Recent experience with outages, might suggest otherwise.

Second, we suppose that those who represent us in Government, genuinely believe they are doing the "right thing" by us all. We might even think that the casting of our vote, is an effective enough way of contesting the outcome. But, who can predict outcomes over a four year period, no matter how well meant the intentions might be. I demur the thinking that we should cast our objectives to the year 2000 and beyond, as the "pay back" period, culminating in an highly profitable event. The possibility for rate rebate in the short term, seems most improbable, and even moreso, in the long term - in my view.

Let me support this statement with my understanding, of what is happening in our society.

The rending of society, through the making of people "redundant" to their occupation, strips society of many of its safeguards, where vital experience and talent is removed. The clinical view that the "steady state" requires only a modicum of talent and expertise, seems reasonable and propitious in an academic society, where the existence of stress and shock to the social structure, is almost seen as an affront. Seen to be relegated to a back bench, where the sophorism of financial modelling, is meant to assuage the intellectually inept. Inept in the sense that they no longer have a useful role in society. Society ~~having~~ having moved to a

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point of burgeoning sophistication and technology, places the system and its "demands", ahead of people and their destiny and their real needs.

Stress, suffering and shock, are an integral part of the life experience to develop maturity. The adding of artificial constraints however, by the rendering of peoples lives so that they are made "redundant", heralds the warning of imminent collapse of a safe/strong structure in society. The infrastructure, weakened as its safeguards are removed.

Like a tall building, if all of its "redundant" structural elements were removed, it would require but a small external load from wind, earthquake, or other impact, to cause the structure to collapse.

This is the gist of my argument relating to deregulation. How close are we to the penultimate stage of collapse - how will we know if and when we have reached that point. The horrendous train of events:

'R-1' The penultimate stage of imminent collapse.

'Ro' Total collapse.

'R+1' The attempt to redeem the debt of lost opportunity -
HAVING GONE TOO FAR.

Apply this if you will to the electrical industry, and I believe our best / safest option, is to look to generation of clean power in our 'home' situation, in its various forms. Couple this with efficient energy use - we then have something to which we can respond immediately.

In brief, cogeneration of power feeding into the distribution system, offers immediate scope for rebate, from the distributor. Present negotiations with Piccol and the Moreland Council, could be opportunities to hand, to validate this argument. I believe and suggest, we should as a Co Operative, support this policy.

I leave the issue of 'Retailing' of power and "CONTESTABILITY"

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as defined by the Government, for our secretary, to report upon.

In conclusion - the ENVIRON/MENTAL AUDIT approach, seems set to embrace all of these issues, if seriously and meaningfully adopted.

THAT IS MY RECOMMENDATION. - I leave you to make of this what you will.

Richard Greaves.

Acting Chairman.

18 Oct 1996.

Seaford. Vic.